



COMMISSION OF THE EUROPEAN COMMUNITIES

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**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND
THE COUNCIL**

**2nd FINANCIAL REPORT FROM THE COMMISSION
TO THE EUROPEAN PARLIAMENT AND THE COUNCIL
on the EUROPEAN AGRICULTURAL GUARANTEE FUND—
2008 FINANCIAL YEAR –**

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Note: A detailed Commission Working Document accompanies this report. The full text of this Working Document (in English) and the annexed tables (in English) will be also available on DG Agriculture's Europa website (http://ec.europa.eu/agriculture/fin/finrep_en.htm).

1. BUDGET PROCEDURE¹

1.1. Preliminary Draft Budget 2008

The 2008 Preliminary Draft Budget (PDB) was adopted by the Commission and proposed to the Budgetary Authority in early May 2007. The commitment appropriations proposed for the European Agricultural Guarantee Fund (EAGF) financed under Heading 2 of the Financial Framework 2007-2013, totaled EUR 42 498.99 million.

1.2. Draft Budget 2008

The Council adopted the 2008 Draft Budget in July 2007. The appropriations of EAGF were reduced by EUR 550.0 million as compared to the PDB.

1.3. Amending Letter for 2008

In October 2007 the Commission adopted the Amending Letter No 2 to the 2008 PDB, setting commitments appropriation requirements for EAGF at EUR 41 166.49 million which was lower by EUR 1 332.5 million compared to the corresponding amount in the Preliminary Draft Budget.

1.4. Revenue assigned to EAGF²

On the basis of the Article 34 of Council Regulation (EC) No 1290/2005 on the financing of the Common Agricultural Policy³, revenue originating from financial corrections under conformity clearance decisions, from irregularities and from the milk levy are designated as revenue assigned to the financing of EAGF expenditure. According to these rules, assigned revenue can be used, partly or wholly, to cover the financing of EAGF expenditure. In the event where part of this revenue is not used, this part will be automatically carried over to the following budget year.

At the time of establishment of the 2008 budget, an estimation of this revenue was made both for the upcoming budget year as well as of the amount which was expected to be carried over from the budget year 2007 into 2008. This estimation was taken into consideration when the Budgetary Authority adopted the 2008 budget's appropriations. Specifically:

- revenue from the conformity clearance claw-backs and from irregularities was estimated at EUR 500.0 million and EUR 80.0 million correspondingly while the receipts from the milk levy were estimated at EUR 219.0 million. Thus, the amount of assigned revenue expected to be generated in the course of the 2008 budget year was estimated at EUR 799.0 million;

¹ This procedure is presented in annex 1

² These amounts are not entered in the revenue lines of the budget (article 670 for the revenue assigned to EAGF) but they are mentioned in the budgetary comments for these articles.

³ OJ L 209 of 11.8.2005, p.1

- the amount of assigned revenue expected to be carried over from the budget year 2007 into 2008 was estimated at EUR 1 138 million;

The total amount of EUR 1 937.0 million was taken into consideration by reducing the appropriations requested for the operational funds for producer organizations in the fruits and vegetables sector by EUR 467.0 million and for the single payment scheme by EUR 1 470.0 million. For these schemes the Budgetary Authority eventually granted appropriations amounting to EUR 105.0 million and EUR 27 220.0 million correspondingly.

1.5. Revenue originating from temporary restructuring amounts in the sugar sector⁴

The temporary restructuring amounts in the sugar sector are treated as assigned revenue intended to finance the sugar restructuring aid and other aids foreseen in the Sugar Restructuring Fund. For each marketing year, starting with 2006/07 up to 2008/09, these amounts relate to the sugar, inulin syrup and isoglucose quantitative quotas held by operators in each Member State and they are to be paid by the Member States into the Fund in two installments, the deadlines of which are 31 March and 30 November respectively for each year. At the time of establishment of the 2008 budget, the estimation of this revenue amounted to EUR 2 374.0 million for the upcoming budget year. At the same time, an amount of EUR 530.0 million was expected to be carried over from the budget year 2007 into 2008.

1.6. Adoption of the 2008 Budget

The European Parliament adopted the 2008 budget in its plenary session of December 2007, by increasing the amounts for EAGF proposed in the second reading of the Council by EUR 10 million.

The initially available EAGF commitment and payment appropriations amounted to EUR 40 876.5 million and to EUR 40 945.6 million correspondingly. In addition, commitment appropriations amounting to EUR 19.8 million, concerning item 11 02 03 01, were transferred from the reserve, thus, making total commitment appropriations to EUR 40 896.3 million. The difference between commitment and payment appropriations is due to the fact that differentiated appropriations are used for the payments made directly by the Commission for promotion of agricultural products, for policy strategy and coordination measures for agriculture, for fisheries market measures as well as for veterinary and phyto-sanitary measures.

For Agriculture and Rural Development (policy area 05), the main expenditure areas concern interventions on agricultural markets for which commitment appropriations amounting to EUR 4 032.4 million were foreseen and direct aids for which EUR 36 832.0 million were foreseen. Furthermore, commitment appropriations of EUR 281.7 million for Veterinary and phyto-sanitary measures (policy area 17) and of EUR 32.5 million for Fisheries market measures (policy area 11), were foreseen in the 2008 budget.

⁴ These amounts are not entered in the revenue lines of the budget (article 680 for the temporary restructuring amounts for the sugar sector) but they are mentioned in the budgetary comments for these articles.

1.7. Amending Budget No 3/2008

In June 2008, the Commission proposed and the Budgetary Authority accepted an adjustment, through AB No 3/2008, of the 2008 budget's commitment and payment appropriations, by increasing commitments appropriations by an amount of EUR 130.0 million and payments appropriations by an amount of EUR 63.95 million for the emergency veterinary fund in policy area 17-veterinary and phyto-sanitary measures in order to finance the cost of the emergency vaccination campaign against the outbreak of the bluetongue disease in several Member States.

1.8. Part of the EAGF budget in total EU budget

The final EAGF budget's (commitment appropriations) part of the total EU budget for the period 2002–2008 appears in annex 2.

2. CASH POSITION AND MANAGEMENT OF APPROPRIATIONS

2.1. Management of appropriations

2.1.1. Appropriations available for the 2008 financial year:

Expenditure section of budget (1)	Commitment appropriations	Payment appropriations
1. Initial appropriations for EAGF (2)	40 896 318 768	40 945 600 500
2. Amending budget	130 000 000	63 950 000
3. Final appropriations for EAGF of which:	41 026 318 768	41 009 550 500
3a. Appropriations for shared management (excluding TRDI (3) EU 10)	40 510 000 000	40 510 000 000
3b. Appropriations for direct expenditure (4)	516 318 768	379 550 500
3c. Appropriations for TRDI EU 10	0	120 000 000

(1) Appropriations entered into the 2008 budget taking into account the forecasted assigned revenue for 2008 and the assigned revenue expected to be carried over from 2007 to 2008 in accordance with Article 10 of the Council Regulation (EC) No 1605/2002.

(2) Initial commitment appropriations include an amount of EUR 19.828.768 transferred from the reserve concerning item 11 02 03 01.

(3) TRDI: Transitional Rural Development Instrument for EU 10.

(4) 80% of commitment appropriations concern DG SANCO. The rest concern equally DG AGRI and DG MARE

Execution of appropriations available for the 2008 financial year

Measure	Execution of commitment appropriations	Execution of payment appropriations
Shared management (excluding TRDI EU10)(1)	42 958 379 420.35	42 958 379 420.35
Direct expenditure	506 917 349.70	288 467 538.09
TRDI EU 10	0.00	14 087 299.00
Total (including Sugar Restructuring Fund)	43 465 296 770.05	43 260 934 257.44
<i>Sugar Restructuring Fund</i>	1 284 099 717.06	1 284 099 717.06
Total (excluding Sugar Restructuring Fund)	42 181 197 052.99	41 976 834 540.38

(1) Committed amounts. Commitments and payments less assigned revenue received: EUR 38 803 889 878.22

For the financial year 2008, total actual commitment appropriations used amounted to EUR 43 465 296 770.05 while total actual payment appropriations amounted to EUR 43 260 934 257.44.

2.1.2. Automatic carryovers of appropriations from 2007

Carry over from 2007 to 2008	Commitments	Decommitments	Payments	Cancelled appropriations
Carried over appropriations	24 884 835.15	1 507 033.19	22 760 724.02	617 077.94

The automatic carry over from 2007 to 2008 only concerned direct expenditure for non-differentiated appropriations. As indicated in the table above, an amount of EUR 24.9 million was carried over from 2007 to 2008. In 2008 an amount of EUR 1.5 million from this carry over was decommitted. The payments made amounted to EUR 22.8 million and the amounts cancelled totalled EUR 0.6 million.

2.2. Monthly payments

2.2.1. Monthly payments to Member States

2.2.1.1. Monthly payments on the provision for expenditure

Council Regulation (EC) No 1290/2005 of 21 June 2005 on the financing of the Common Agricultural Policy states in Article 15 that "*monthly payments shall be made by the Commission ... for expenditure effected by Member States' accredited paying agencies during the reference month*". Monthly payments shall be made to each Member State at the latest on the third working day of the second month following that in which the expenditure is effected.

The monthly payments are a reimbursement of net expenditure (after deduction of revenue) which has been already carried out and are made available on the basis of

the monthly declarations forwarded by the Member States⁵; the monthly booking of expenditure and revenue is subject to checks and corrections on the basis of the detailed declaration⁶. Moreover, they will become final after the verification during the following exercises in the light of the clearance of accounts decisions.

Payments made by the Member States from 16.10.2007 to 15.10.2008 were covered by the system for monthly payments. Furthermore, the Commission carries out payments under direct management for a limited number of measures up to 31.12.2008.

For financial year 2008, the total net amount of monthly payments effected was EUR 38 803 889 878.22.

2.2.1.2. Decisions on monthly payments for 2008

For the financial year 2008, the Commission adopted twelve decisions on monthly payments. Furthermore, an additional monthly payment, adjusting those already granted for the total expenditure chargeable to the year, was adopted in December 2008. (For details, please see annex 4 of the Working Document accompanying this report).

3. EXECUTION OF THE 2008 EAGF BUDGET

3.1. Introduction

The 2008 agricultural year was marked by very sharp and remarkable decreases in the prices of many agricultural products in both the EU and world markets towards the end of the budget year. These decreases in prices concerned mainly crop and dairy products while meat prices showed a recovery. The volume of overall EU crop production increased substantially in 2008 compared to 2007, in contrast to the marginal increase in livestock production. Developments in agricultural markets as well as other factors affected both the level of EAGF expenditure and the use of available credit appropriations in certain areas of the budget.

The total implementation of the budget amounted to EUR 42 181.2 million (excluding the Sugar Restructuring Fund). As regards Agriculture and Rural Development (policy area 05), expenditure for market measures amounted to EUR 4 159.3 million and for direct aids to EUR 37 568.6 million, both sectors exceeding the available budget appropriations. This expenditure was funded by the budget's initial appropriations, by using the entire amount of assigned revenue (of EUR 1 159.5 million) carried over from 2007 and a part of the assigned revenue collected in 2008 (amounting to EUR 87.5 million out of a total EUR 1 561.6 million). Furthermore, the aforementioned total implementation amount includes the appropriations corresponding to the Fisheries market measures (policy area 11) of EUR 51.8 million as well as those corresponding to Veterinary and phyto-

⁵ These monthly declarations of expenditure are transmitted by the Member States by the declaration of the 10th of the month N+1.

⁶ The detailed declarations are transmitted monthly by the Member States (by table 104) on the 20th of the month N+1.

sanitary measures (policy area 17) of EUR 407.8 million. (For details, please see annex 3).

4. COMMENTS ON THE IMPLEMENTATION OF THE 2008 AGRICULTURAL BUDGET

A brief commentary on the use of the 2008 agricultural budget's available appropriations is hereby presented. The execution of this budget with the differences between this execution and the appropriations included in the initial budget and in the Amending Budget No 3/2008 are presented in annex 3.

4.1. Intervention in agricultural markets

The Budgetary Authority granted original appropriations amounting to EUR 4 032.4 million for this chapter because it took account of assigned revenue amounting to EUR 467.0 million. Payments amounted to EUR 4 159.3 million. Within this chapter of the budget, the expenditure for fruits and vegetables exceeded their original appropriations and it was covered by the revenue assigned to this sector. As regards pig-meat, the expenditure incurred over-implemented the sector's appropriations. The appropriations for the sectors of sugar and wine were under-implemented. The main reasons for these implementation patterns are briefly presented below:

Sugar

The sector's under-implementation was primarily due to incurring lower expenditure for export refunds both because of the lower export refunds rate level for this marketing year and of the lower than foreseen payments for outstanding export refund files.

Fruits and vegetables

For the operational funds for producer organizations, the Budgetary Authority granted original appropriations amounting to EUR 105.0 million because it took account of revenue of EUR 467.0 million which had been assigned to wards the financing of this scheme. Member States incurred expenditure amounting to EUR 581.6 million. The expenditure above the budget's original appropriations was covered by the aforementioned amount of assigned revenue and by transferring appropriations of EUR 9.6 million from other items of the budget.

Products of the wine-growing sector

The sector's under-implementation was due the lower expenditure incurred primarily because of the smaller volume of wine distilled for the potable alcohol sector and of the lower surfaces for which restructuring and conversion of vineyards aids, were paid compared to the volume and the areas retained in the 2008 budget.

Pig meat sector

The sector's over-implementation was primarily due to expenditure arising from the measures taken by the Commission in order to counter the difficult situation in the sector in the second half of 2007. Specifically, the Commission introduced an aid for private storage scheme and payment of export refunds for fresh and frozen pig meat to all destinations. No appropriations were foreseen in the 2008 budget for these schemes and the resulting expenditure was covered partly by the revenue assigned to market measures and partly by transferring appropriations from other items of the budget.

4.2. Direct Aids

The initial appropriations granted by Budgetary Authority for this chapter amounted to EUR 36 832.0 million. The expenditure incurred for this chapter amounted to EUR 37 568.6 million.

Approximately 75% of this expenditure concerned the Single Payment Scheme (SPS). For this scheme, the Budgetary Authority had granted appropriations amounting to EUR 27 220.0 million because it took account of the revenue assigned to it which amounted to EUR 1 470.0 million. Hence, the total available appropriations for financing the SPS amounted to EUR 28 690.0million. The expenditure incurred by the Member States amounted to EUR 28 233.8 million. The part of this expenditure (EUR 1 013.8 million), which was not covered by the appropriations granted, was covered by transfers and by the revenue assigned to this scheme.

5. COMMENTS ON THE IMPLEMENTATION OF ASSIGNED REVENUE

5.1. Revenue assigned to EAGF

The assigned revenue actually carried over from 2007 into 2008, amount to EUR 1 159.5 million and has been entirely used in financing expenditure of the 2008 budget year in accordance with article 10 of the Financial Regulation. This amount covered expenditure of EUR 362.7 million for the operational funds for producer organizations and of EUR 796.9 million for direct aids. (For details, please see annex 4).

As far as the assigned revenue collected in 2008, annex 4 shows that this revenue amounted to EUR 1 561.6 million and it originated from:

- The corrections of the conformity clearance procedure which amounted to EUR 984.6 million and were higher than the initially expected ones of EUR 500.0 million because 2 additional conformity clearance decisions were taken within the year.
- The receipts from irregularities which amounted to EUR 356.1 million and were higher than the initially expected (EUR 80.0 million). This was an exceptional situation because of the ad hoc corrections imposed to Member States in respect of long-outstanding irregularities in the paying agencies' accounts.

- The milk levy collections which amounted to EUR 220.9 million.

5.2. Temporary restructuring amounts in the sugar sector

Contrary to the initially estimated amount of EUR 530.0 million, the assigned revenue eventually carried over from 2007 into 2008 amounted to EUR 735.8 million because Member States paid diversification and additional aids which were smaller than the ones initially expected. After all the aid payments made to the beneficiaries of the sugar restructuring fund, the temporary restructuring amounts presented a balance of EUR 2 044.6 million which was carried forward into 2009. (For details, please see annex 4).

6. COMMENTS ON THE IMPLEMENTATION OF THE SUGAR RESTRUCTURING FUND

Member States made total payments for aids to the restructured sugar industry, for diversification aids as well as for aids to sugar refining which amounted to EUR 1 284.0 million. These aids were paid from the aforementioned revenue originating from the temporary restructuring amounts in the sugar sector. Specifically, as regards the payment of these aids, an amount of EUR 735.8 million was funded by the assigned revenue carried over from 2007 while the balance of EUR 548.3 million was paid from the assigned revenue collected by the Member States and paid into the 2008 budget.

7. BREAKDOWN BY TYPE OF EXPENDITURE

The total EAGF expenditure amounts to EUR 42 181.2 million (excluding the Sugar Restructuring Fund). Hereafter, this expenditure is presented broken down into the most significant categories along with the percentage that these represent in the total EAGF expenditure for 2008:

Export refunds

Spending on export refunds amounted to EUR 925.4 million, i.e. 2.19% of the total.

Direct aids

Expenditure for direct aids amounted to EUR 37 568.6 million, i.e. 89.06% of the total.

Storage

Expenditure for storage amounted to EUR 147.9 million, i.e. 0.35% of the total. The main products involved were products of the cereals, wine-growing, milk and pig-meat, eggs and poultry meat sectors.

Other measures

Other intervention expenditure amounted to EUR 3 553.3 million, i.e. 8.42% of the year's total. This heading covers expenditure not falling into one of the above categories.

Rural development

No appropriations were foreseen in the 2008 budget for the Guarantee Section of the ex-EAGGF⁷. At the same time, Member States were declaring recoveries of previously paid advances which amounted to –EUR 14.1 million.

The evolution of this breakdown by type of expenditure for the period 2003-2008 is presented in annex 6.

⁷ EAGGF: European Agricultural Guidance and Guarantee Fund

ANNEX 1

Budgetary Procedure for 2008 - EAGF Commitment Appropriations

In EUR million

Title	Chapter	Article	MEASURE	PDB *		DB ** Council first reading		DB EP*** first reading		Amending Letter		Council second reading		BUDGET (6)	
				CA	PA	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
05	01		MANAGEMENT AND SUPPORT EXPENDITURE OF POLICY AREA AGRICULTURE AND RURAL DEVELOPMENT	9.02	9.02	9.02	9.02	9.02	9.02	9.02	9.02	9.02	9.02	9.02	9.02
05	01	04	Support expenditure for operations of Policy area Agriculture	9.02	9.02	9.02	9.02	9.02	9.02	9.02	9.02	9.02	9.02	9.02	9.02
05	02		INTERVENTIONS IN AGRICULTURAL MARKETS	5 003.37	5 004.57	4 653.37	4 654.57	5 031.99	5 033.25	4 032.37	4 033.57	4 032.37	4 033.57	4 032.37	4 033.57
05	02	01	Cereals	279.00	279.00	257.91	257.91	279.00	279.00	-9.00	-9.00	-9.00	-9.00	-9.00	-9.00
05	02	02	Rice	pm	pm	pm	pm	pm	pm	pm	pm	pm	pm	pm	pm
05	02	03	Refunds on non-Annex 1 products	198.00	198.00	183.03	183.03	198.00	198.00	150.00	150.00	150.00	150.00	150.00	150.00
05	02	04	Food programmes	301.00	301.00	301.00	301.00	311.00	311.00	307.00	307.00	307.00	307.00	307.00	307.00
05	02	05	Sugar	441.00	441.00	407.67	407.67	441.00	441.00	576.00	576.00	576.00	576.00	576.00	576.00
05	02	06	Olive oil	50.00	50.00	46.22	46.22	50.00	50.00	48.00	48.00	48.00	48.00	48.00	48.00
05	02	07	Textile plants	21.00	21.00	19.41	19.41	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00
05	02	08	Fruit and vegetables (1)	1 325.00	1 325.00	1 225.45	1 225.45	1 329.00	1 329.00	728.00	728.00	728.00	728.00	728.00	728.00
05	02	09	Products of wine-growing sector	1 377.00	1 377.00	1 272.92	1 272.92	1 377.00	1 377.00	1 412.00	1 412.00	1 412.00	1 412.00	1 412.00	1 412.00
05	02	10	Promotion	43.37	44.57	40.09	41.29	45.54	46.80	50.37	51.57	50.37	51.57	50.37	51.57
05	02	11	Other plant products/measures	365.00	365.00	337.41	337.41	365.00	365.00	372.00	372.00	372.00	372.00	372.00	372.00
05	02	12	Milk and milk products (2)	406.00	406.00	380.15	380.15	416.00	416.00	167.00	167.00	167.00	167.00	167.00	167.00
05	02	13	Beef and veal	57.00	57.00	52.69	52.69	57.00	57.00	61.00	61.00	61.00	61.00	61.00	61.00
05	02	14	Sheepmeat and goatmeat	pm	pm	pm	pm	pm	pm	pm	pm	pm	pm	pm	pm
05	02	15	Pigmeat, eggs and poultry, bee-keeping and other animal products	140.00	140.00	129.42	129.42	142.45	142.45	149.00	149.00	149.00	149.00	149.00	149.00
05	02	16	Sugar Restructuring Fund	pm	pm	pm	pm	pm	pm	pm	pm	pm	pm	pm	pm
05	02	99	Irregularities (Interventions on agricultural markets)	-	-	-	-	-	-	-	-	-	-	-	-
05	03		DIRECT AIDS	37 213.00	37 213.00	37 213.00	37 213.00	37 213.00	37 213.00	36 832.00	36 832.00	36 832.00	36 832.00	36 832.00	36 832.00
05	03	01	Decoupled direct aids (3)	30 870.00	30 870.00	30 870.00	30 870.00	30 870.00	30 870.00	30 494.00	30 494.00	30 494.00	30 494.00	30 494.00	30 494.00
05	03	02	Other direct aids	5 780.00	5 780.00	5 780.00	5 780.00	5 780.00	5 780.00	5 775.00	5 775.00	5 775.00	5 775.00	5 775.00	5 775.00
05	03	03	Additional amounts of aid	563.00	563.00	563.00	563.00	563.00	563.00	563.00	563.00	563.00	563.00	563.00	563.00
05	03	99	Irregularities (Agricultural direct aids)	-	-	-	-	-	-	-	-	-	-	-	-
05	04		RURAL DEVELOPMENT (4)	0.00	122.30	0.00	122.30	0.00	122.30	0.00	122.30	0.00	122.30	0.00	122.30
05	04	01	Rural development financed by the EAGGF-Guarantee section (4)	pm	pm	pm	pm	pm	pm	pm	pm	pm	pm	pm	pm
05	04	03	Plant and animal genetic resources - Completion of earlier measures	0.00	2.30	0.00	2.30	0.00	2.30	0.00	2.30	0.00	2.30	0.00	2.30
05	04	04	TRDI by the EAGGF Guarantee Section for the new Member States (5)	pm	120.00	pm	120.00	pm	120.00	pm	120.00	pm	120.00	pm	120.00
05	07		AUDIT OF AGRICULTURAL EXPENDITURE	-63.50	-63.50	-263.50	-263.50	-63.50	-63.50	-42.50	-42.50	-342.50	-342.50	-342.50	-342.50
05	07	01	Control of agricultural expenditure (7)	-63.50	-63.50	-263.50	-263.50	-63.50	-63.50	-63.50	-63.50	-363.50	-363.50	-363.50	-363.50
05	07	02	Settlement of disputes	0.00	0.00	0.00	0.00	0.00	0.00	21.00	21.00	21.00	21.00	21.00	21.00
05	08		POLICY STRATEGY & COORDINATION OF P.A. AGRICULTURE & RURAL D.	32.95	34.51	32.95	34.51	33.95	35.51	31.45	34.06	31.45	34.06	31.45	34.06
05	08	01	Farm Accountancy Data Network (FADN)	14.00	13.56	14.00	13.56	14.00	13.56	14.00	13.56	14.00	13.56	14.00	13.56
05	08	02	Surveys on the structure of agricultural holdings	8.55	10.82	8.55	10.82	8.55	10.82	8.55	10.82	8.55	10.82	8.55	10.82
05	08	03	Restructuring of systems for agricultural surveys	3.40	3.13	3.40	3.13	3.40	3.13	1.90	2.68	1.90	2.68	1.90	2.68
05	08	06	Enhancing public awareness of the common agricultural policy	7.00	7.00	7.00	7.00	8.00	8.00	7.00	7.00	7.00	7.00	7.00	7.00
05	08	08	External study on the impact of Directive 2000/36/EC of the EP*** and of the Council	-	-	-	-	-	-	-	-	-	-	-	-
05	08	09	EAGF - Operational technical assistance	pm	pm	pm	pm	pm	pm	pm	pm	pm	pm	pm	pm
11			FISHERIES MARKETS (Financed by EAGF)	30.50	29.50	30.50	29.50	32.50	31.50	30.50	29.50	30.50	29.50	32.50	31.50
17			VETERINARY, PHYTOSANITARY & PUBLIC HEALTH (Financed by EAGF)	273.65	217.65	273.65	217.65	281.80	225.80	273.65	217.65	273.65	217.65	281.65	225.65
TOTAL EAGF APPROPRIATIONS (8)				42 498.99	42 567.05	41 948.99	42 017.05	42 538.76	42 606.88	41 166.49	41 235.60	40 866.49	40 935.60	40 876.49	40 945.60

(1) AL -> Additional needs, to be covered by assigned revenue: estimated at € 467mio (AL: Amending Letter)

(2) PDB -> Additional needs, to be covered by assigned revenue: estimated at € 155 mio

(3) PDB & AL -> Additional needs, to be covered by assigned revenue: estimated at € 1 470 mio

(4) RURAL DEVELOPMENT financed by the ex-European Agricultural Guidance and Guarantee Fund-Guarantee section (EAGGF) - Programming period 2000-2006

(5) Transitional instrument for the financing of rural development by ex-EAGGF Guarantee Section for the new Member States - Completion of programmes 2004-2006

(6) Commitments appropriations amounting to EUR 19.8 million, concerning item 11 02 03 01, were transferred from the reserve, thus, making total commitment appropriations to EUR 40 896.3 million.

(7) Control of agricultural expenditure. Article 05 07 01, except Items 05 07 01 10 and 05 07 01 11.

(8) In column 'EP First reading', reserves of 25 Mio € (item 05020812) and of 20 Mio € (item 05 02 12 09), are not included.

* PDB : Preliminary Draft Budget

** DB: Draft Budget

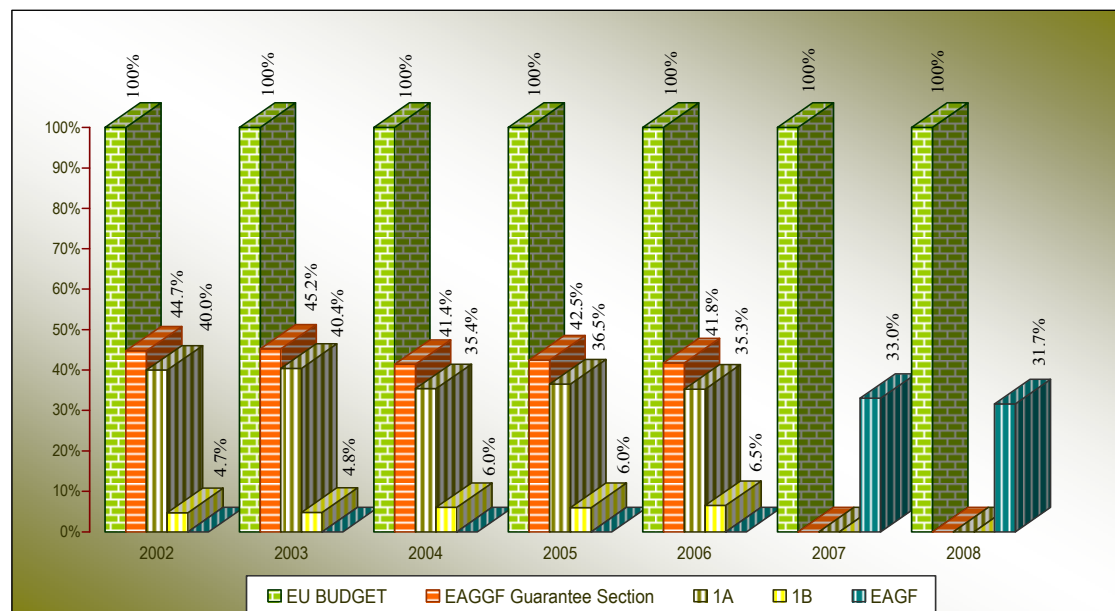
*** EP: European Parliament

ANNEX 2

PART OF THE EAGF BUDGET IN THE EU BUDGET 2002 to 2008 *

BUDGET YEAR		2002	2003	2004	2005	2006	2007	2008
EU BUDGET		100%	100%	100%	100%	100%	100%	100%
EAGGF - Guarantee		44.7%	45.2%	41.4%	42.5%	41.8%	-	-
of which	1A	40.0%	40.4%	35.4%	36.5%	35.3%	-	-
of which	1B	4.7%	4.8%	6.0%	6.0%	6.5%	-	-
EAGF		-	-	-	-	-	33.0%	31.7%

(*) 2002 to 2006 financial years: European Agricultural Guidance and Guarantee Fund-Guarantee Section (EAGGF). Commitment appropriations
 2007 & 2008 financial years: European Agricultural Guarantee Fund (EAGF). Commitment appropriations



ANNEX 3

ANALYSIS OF EAGF BUDGETARY EXECUTION - 2008 FINANCIAL YEAR

Commitment appropriations

In EUR

F P H	T	C	A	MEASURE	ADOPTED BUDGET	AMENDING BUDGET	EXECUTION 2008	DIFF. EXE. -	DIFF. EXE. - AB n°	% EXE /	% EXE /
					2008 (3)	3/2008 (2) (3)	(2)	ADOPTED BUDGET	3/2008	(5) = (2) / (3)	(6) = (2) / (1)
(1)											
05 AGRICULTURE AND RURAL DEVELOPMENT					40 562 340 000	40 562 340 000	41 721 694 262	1 159 354 262	1 159 354 262	102.9%	102.9%
05 01 ADMINISTRATIVE EXPENDITURE OF AGRICULTURE AND RURAL DEVELOPMENT POLICY AREA					9 019 000	9 019 000	7 797 871	-1 221 129	-1 221 129	86.5%	86.5%
2	05 01 04	Support expenditure			9 019 000	9 019 000	7 797 871	-1 221 129	-1 221 129	86.5%	86.5%
05 02 INTERVENTIONS IN AGRICULTURAL MARKETS					4 032 371 000	4 032 371 000	4 159 304 747	126 933 747	126 933 747	103.1%	103.1%
2	05 02 01	Cereals			-9 000 000	-9 000 000	-5 295 700	-42 295 700	-42 295 700	570.0%	570.0%
2	05 02 02	Rice			0	0	0	0	0	-	-
2	05 02 03	Refunds on non-Annex I products			150 000 000	150 000 000	118 120 753	-31 879 247	-31 879 247	78.7%	78.7%
2	05 02 04	Food programmes			307 000 000	307 000 000	345 046 663	38 046 663	38 046 663	112.4%	112.4%
2	05 02 05	Sugar			576 000 000	576 000 000	475 556 229	-100 443 771	-100 443 771	82.6%	82.6%
2	05 02 06	Olive oil			48 000 000	48 000 000	45 145 442	-2 854 558	-2 854 558	94.1%	94.1%
2	05 02 07	Textile plants			21 000 000	21 000 000	20 990 050	-9 950	-9 950	100.0%	100.0%
2	05 02 08	Fruits and vegetables (*) (**) (***)			728 000 000	728 000 000	1 153 035 406	425 035 406	425 035 406	158.4%	158.4%
2	05 02 09	Products of the wine-growing sector			1 412 000 000	1 412 000 000	1 170 002 362	-241 997 638	-241 997 638	82.9%	82.9%
2	05 02 10	Promotion (*) (**)			50 371 000	50 371 000	53 185 130	2 814 130	2 814 130	105.6%	105.6%
2	05 02 11	Other plant products/measures			372 000 000	372 000 000	375 423 007	3 423 007	3 423 007	100.9%	100.9%
2	05 02 12	Milk and Milk products			167 000 000	167 000 000	147 994 306	-19 005 694	-19 005 694	88.6%	88.6%
2	05 02 13	Beef and Veal			61 000 000	61 000 000	47 226 779	-13 773 221	-13 773 221	77.4%	77.4%
2	05 02 14	Sheepmeat and goatmeat			0	0	0	0	0	-	-
2	05 02 15	Pigmeat, eggs & poultry, bee-keeping & other animal products (*) (**)			149 000 000	149 000 000	258 874 321	109 874 321	109 874 321	173.7%	173.7%
05 03 DIRECT AIDS					36 832 000 000	36 832 000 000	37 568 576 803	736 576 803	736 576 803	102.0%	102.0%
2	05 03 01	Decoupled direct aids (*) (**)			30 494 000 000	30 494 000 000	31 414 469 343	920 469 343	920 469 343	103.0%	103.0%
2	05 03 02	Other direct aids (*) (**)			5 775 000 000	5 775 000 000	5 620 407 710	-154 592 290	-154 592 290	97.3%	97.3%
2	05 03 03	Additional amounts of aid			563 000 000	563 000 000	533 699 749	-29 300 251	-29 300 251	94.8%	94.8%
05 04 RURAL DEVELOPMENT					0.00	0.00	-14 051 993	-14 051 993	-14 051 993	-	-
2	05 04 01	RD financed by the ex-EAGGF-Guarantee Section-Programming period 2000 - 2006			0	0	-14 051 993	-14 051 993	-14 051 993	-	-
2	05 04 03	Other measures			0	0	0	0	0	-	-
2	05 04 04	Transitional Instrument for the financing of RD by the ex-EAGGF Guarantee Section for the new Member States - Completion of programmes (2004 to 2006)			0	0	0	0	0	-	-
05 07 AUDIT OF AGRICULTURAL EXPENDITURE					-342 500 000	-342 500 000	-29 302 236	313 197 764	313 197 764	8.6%	8.6%
2	05 07 01	Control of agricultural expenditure			-363 500 000	-363 500 000	-29 516 802	333 983 198	333 983 198	8.1%	8.1%
2	05 07 02	Settlement of disputes			21 000 000	21 000 000	214 565	-20 785 435	-20 785 435	1.0%	1.0%
05 08 POLICY STRATEGY AND COORDINATION OF 'AGRICULTURE AND RURAL DEVELOPMENT' POLICY AREA					31 450 000	31 450 000	29 369 070	-2 080 930	-2 080 930	93.4%	93.4%
2	05 08 01	Farm Accountancy Data Network (FADN)			14 000 000	14 000 000	12 680 950	-1 319 050	-1 319 050	90.6%	90.6%
2	05 08 02	Surveys on the structure of agricultural holdings			8 550 000	8 550 000	8 305 175	-154 825	-154 825	98.2%	98.2%
2	05 08 03	Restructuring of systems for agricultural surveys			1 900 000	1 900 000	1 899 288	-712	-712	100.0%	100.0%
2	05 08 06	Enhancing public awareness of the CAP			7 000 000	7 000 000	6 393 656	-606 344	-606 344	91.3%	91.3%
2	05 08 08	External study on the impact of Directive 2000/36/EC			0	0	0	0	0	-	-
2	05 08 09	European Agricultural Guarantee Fund (EAGF) — Operational technical assistance			0	0	0	0	0	-	-
11 FISHERIES AND MARITIME AFFAIRS					32 500 000	52 328 768	51 751 745	19 251 745	19 251 745	159.2%	98.9%
11 02 FISHERIES MARKETS					32 500 000	52 328 768	51 751 745	19 251 745	19 251 745	159.2%	98.9%
2	11 02 01	Intervention in fishery products			15 500 000	15 500 000	14 923 732	-576 268	-576 268	96.3%	96.3%
2	11 02 03	Fisheries programme for the outermost regions			17 000 000	36 828 768	36 828 013	19 828 013	19 828 013	216.6%	100.0%
17 VETERINARY EXPENDITURE					281 650 000	411 650 000	407 751 047	126 101 047	-3 898 953	144.8%	99.1%
17 01 ADMINISTRATIVE EXPENDITURE OF VETERINARY COSTS					2 400 000	2 400 000	1 951 478	-448 522	-448 522	81.3%	81.3%
2	17 01 04	Support expenditure for operations of 'Health and consumer protection' Policy Area			2 400 000	2 400 000	1 951 478	-448 522	-448 522	81.3%	81.3%
17 03 PUBLIC HEALTH					14 250 000	14 250 000	16 840 000	2 590 000	2 590 000	118.2%	118.2%
2	17 03 02	Community tobacco fund — Direct payments by the European Union			14 250 000	14 250 000	16 840 000	2 590 000	2 590 000	118.2%	118.2%
17 04 FOOD SAFETY, ANIMAL HEALTH, ANIMAL WELFARE & PLANT HEALTH					265 000 000	395 000 000	388 959 569	123 959 569	-6 040 431	146.8%	98.5%
2	17 04 01	Animal disease eradication and monitoring programmes and monitoring of the physical conditions of animals that could pose a public-health risk linked to an external factor			192 000 000	192 000 000	184 452 357	-7 547 643	-7 547 643	96.1%	96.1%
2	17 04 02	Other measures in the veterinary, animal welfare and public-health field			17 000 000	17 000 000	13 596 945	-3 403 055	-3 403 055	80.0%	80.0%
2	17 04 03	Emergency fund for veterinary complaints and other animal contaminations which are a risk to public health			34 000 000	164 000 000	163 985 729	129 985 729	-14 271	482.3%	100.0%
2	17 04 04	Plant-health measures			2 000 000	2 000 000	5 902 670	3 902 670	3 902 670	295.1%	295.1%
2	17 04 05	Community Plant Variety Office			0	0	0	0	0	-	-
2	17 04 07	Feed and food safety and related activities			20 000 000	20 000 000	21 021 867	1 021 867	1 021 867	105.1%	105.1%
(*) EAGF 2008 EXPENDITURE funded by initial budget appropriations - Fund Source C1					40 876 490 000	41 026 318 768	40 934 189 788	57 699 788	-92 128 980	100.1%	99.8%
(**) EAGF 2008 EXPENDITURE funded by assigned revenue carried over from 2007 - Fund Source C5					1 159 540 265	1 159 540 265	1 159 540 265	-	-	100.0%	-
(***) EAGF 2008 EXPENDITURE funded by assigned revenue collected in 2008 - Fund Source C4					1 561 605 099	1 561 605 099	87 467 000	-	-	5.6%	-
TOTAL EAGF 2008 EXPENDITURE					43 597 635 364	43 747 464 132	42 181 197 053	-	-	-	-
SUGAR RESTRUCTURING FUND											
2	05 02 16	Sugar Restructuring Fund			0	0	1 284 099 717	-	-	-	-
(*) EAGF 2008 EXPENDITURE funded by assigned revenue carried over from 2007 - Fund Source C5					735 779 199	735 779 199	735 779 199	-	-	100.0%	-
(***) EAGF 2008 EXPENDITURE funded by assigned revenue collected in 2008 - Fund Source C4					2 592 884 443	2 592 884 443	548 320 518	-	-	21.1%	-
TOTAL 2008 EXPENDITURE					46 926 299 006	47 076 127 774	43 465 296 770	-	-	-	-

(1) FPH = Financial Perspectives Heading / T = Title / C = Chapter / A = Article / I = Item
 For EAGF, the Amending Budget n° 3/2008 concerns only item 17 04 03 01. Commitment appropriations were increased by 130 ME.
 For ITEM 11 02 03 01: Commitments appropriations were increased by 19 828 768 € after a budgetary transfer, from the reserve.
 (3) 0 = p.m.

(*) EAGF 2008 EXPENDITURE funded by initial budget appropriations - Fund Source C1
 (**) EAGF 2008 EXPENDITURE funded by assigned revenue carried over from 2007 - Fund Source C5
 (***) EAGF 2008 EXPENDITURE funded by assigned revenue collected in 2008 - Fund Source C4

ANNEX 4 - I

ANALYSIS OF EAGF BUDGETARY EXECUTION - 2008 FINANCIAL YEAR - ASSIGNED REVENUE (C4) Collected in 2008

in EUR

Assigned Revenue 2008						Utilisation of Assigned Revenue					Carriedforward to 2009
ITEM	Funds	Description	Amount	Link - Budgetary Attribution		Budgetary Expenditure Line	Funds	Description	Amount		
				Budgetary Line	Amount				Detail	Total	
CHAPTER 67 : REVENUE CONCERNING EAGF											
6 7 0 1	IC4	Clearance of EAGF accounts – Assigned revenue	984 630 362.00	05 02 08 99	431 230 628.80	05 02 08 03	C4	Operational funds for producers organisations	61 850 000.00		
						05 02 08 99	C4	Other measures (Fruits and vegetables)	767 000.00		
						05 02 10 01	C4	Promotion measures - Payments by Member States	2 400 000.00		
						05 02 15 01	C4	Refunds for pigmeat	22 450 000.00		
						431 230 628.80			87 467 000.00		343 763 628.80
				05 03 02 99	553 399 733.20						
6 7 0 2	IC4	EAGF Irregularities – Assigned revenue	356 066 899.56	05 03 02 99	356 066 899.56						
6 7 0 3	IC4	Superlevy from milk producers – Assigned revenue	220 907 837.22	05 03 02 99	220 907 837.22	05 03 02 99	C4	Other (Direct aids)	0.00		
						1 130 374 469.98			0.00		1 130 374 469.98
6 7 0	IC4	Revenue concerning EAGF	1 561 605 098.78								
6 7	IC4	REVENUE CONCERNING EAGF TOTAL Chapter 67	1 561 605 098.78		1 561 605 098.78				87 467 000.00		1 474 138 098.78
CHAPTER 68 : TEMPORARY RESTRUCTURING AMOUNTS											
6 8 0 1	IC4	Temporary restructuring amounts – Assigned revenue	2 592 884 443.35	05 02 16 00	2 592 884 443.35	05 02 16 00	C4	Sugar Restructuring Fund	548 320 518.36		
						2 592 884 443.35			548 320 518.36		2 044 563 924.99
6 8 0 2		Irregularities concerning the temporary restructuring fund – Assigned revenue	0.00								
6 8 0 3		Clearance with regard to the temporary restructuring fund – Assigned revenue	0.00								
6 8 0	IC4	Temporary restructuring amounts	2 592 884 443.35								
6 8	IC4	TEMPORARY RESTRUCTURING AMOUNTS	2 592 884 443.35						548 320 518.36		2 044 563 924.99
TOTAL			4 154 489 542.13			TOTAL			635 787 518.36		3 518 702 023.77

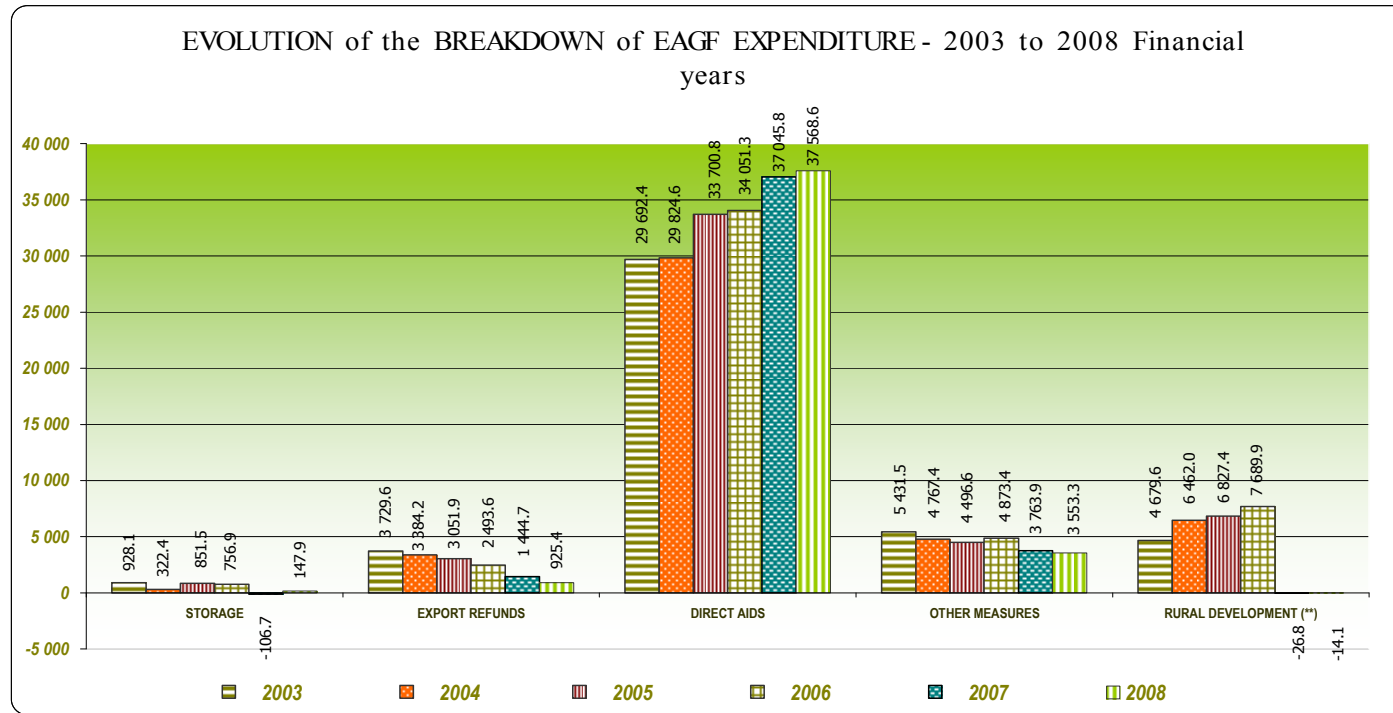
ANNEX 4 - II

ANALYSIS OF EAGF BUDGETARY EXECUTION - 2008 FINANCIAL YEAR - ASSIGNED REVENUE (C5) Carried over from 2007

in EUR

Assigned Revenue 2008					Utilisation of Assigned Revenue						
ITEM	Funds	Description	Amount	Link - Budgetary Attribution		Budgetary Expenditure Line	Funds	Description	Amount		
				Budgetary Line	Amount				Detail	Total	
					Detail						Total
CHAPTER 67 : REVENUE CONCERNING EAGF											
6 7 0 1	IC5	Clearance of EAGF accounts – Assigned revenue	557 050 534.46	05 02 08 99	362 665 224.89	05 02 08 03	C5	Operational funds for producers organisations	362 665 224.89		
					362 665 224.89				362 665 224.89		
				05 03 02 99	194 385 309.57						
6 7 0 2	IC5	EAGF Irregularities – Assigned revenue	239 824 505.38	05 03 02 99	239 824 505.38	05 03 01 01	C5	SPS (Single Payment Scheme)	757 424 738.18		
6 7 0 3	IC5	Superlevy from milk producers – Assigned revenue	362 665 224.89	05 03 02 99	362 665 224.89	05 03 02 99	C5	Other (Direct aids)	39 450 301.66		
					796 875 039.84				796 875 039.84		
6 7 0	IC5	Revenue concerning EAGF	1 159 540 264.73								
6 7	IC5	REVENUE CONCERNING EAGF TOTAL Chapter 67	1 159 540 264.73		1 159 540 264.73					1 159 540 264.73	
CHAPTER 68 : TEMPORARY RESTRUCTURING AMOUNTS											
6 8 0 1	IC5	Temporary restructuring amounts – Assigned revenue	735 779 198.70	05 02 16 00	735 779 198.70	05 02 16 00	C5	Sugar Restructuring Fund	735 779 198.70		
					735 779 198.70				735 779 198.70		
6 8 0 2		Irregularities concerning the temporary restructuring fund – Assigned revenue	0.00								
6 8 0 3		Clearance with regard to the temporary restructuring fund – Assigned revenue	0.00								
6 8 0	IC5	Temporary restructuring amounts	735 779 198.70								
6 8	IC5	TEMPORARY RESTRUCTURING AMOUNTS	735 779 198.70							735 779 198.70	
TOTAL			1 895 319 463.43						TOTAL	1 895 319 463.43	

ANNEX 6



in EUR Million

FINANCIAL YEAR (*)	BUDGET EXECUTION		STORAGE	EXPORT REFUNDS	DIRECT AIDS	OTHER MEASURES	RURAL DEVELOPMENT (**)
	1a	1b					
2003	39 781.6	4 679.6	928.1	3 729.6	29 692.4	5 431.5	4 679.6
2004	38 298.5	6 462.0	322.4	3 384.2	29 824.6	4 767.4	6 462.0
2005	42 100.8	6 827.4	851.5	3 051.9	33 700.8	4 496.6	6 827.4
2006	42 175.3	7 689.9	756.9	2 493.6	34 051.3	4 873.4	7 689.9
2007	42 120.9		-106.7	1 444.7	37 045.8	3 763.9	-26.8
2008	42 181.2		147.9	925.4	37 568.6	3 553.3	-14.1

(*) 2002 to 2006 financial years: European Agricultural Guidance and Guarantee Fund-Guarantee Section (EAGGF). 2007 & 2008 financial years: European Agricultural Guarantee Fund (EAGF)

(**) 2007 and 2008 financial years: RURAL DEVELOPMENT financed by the ex-European Agricultural Guidance and Guarantee Fund-Guarantee section (EAGGF) - Programming period 2000-2006